

ANNUAL STATEMENT

Including Supplements

OF THE

OMNICARE HEALTH PLAN, INC.

of **MEMPHIS**

in the state of **TENNESSEE**

TO THE

Insurance Department

OF THE

STATE OF TENNESSEE

**FOR THE YEAR ENDED
December 31, 2003**



00000200320100100

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

OmniCare Health Plan Inc

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 00000 Employer's ID Number 62-1547197

Organized under the Laws of TN, State of Domicile or Port of Entry TN

Country of Domicile US

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity [] Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X] Other [] Is HMO Federally Qualified? YES [] NO [X]

Date Incorporated or Organized: October 6, 1993 Date Commenced Business: January 3, 1994

Statutory Home Office: 1991 Corporate Avenue 4th Floor Memphis, TN 38132

Main Administrative Office: 1991 Corporate Avenue 4th Floor Memphis, TN 38132 901-346-0064

Mail Address: 1991 Corporate Avenue 4th Floor Memphis, TN 38132

Primary Location of Books and Records: 1991 Corporate Avenue 4th Floor Memphis, TN 38132 901-346-0064

Internet Website Address: www.ochptn.com

Statutory Statement Contact: Lorenzo Harris 901-346-0064

lharris@ochptn.com 901-346-1032 (E-Mail Address) (Fax Number)

Policyowner Relations Contact: 1991 Corporate Avenue 4th Floor Memphis, TN 38132 901-346-0064

OFFICERS

President: Osbie Howard

Secretary: Marsha Lynn Robinson

Chief Financial Officer: Lorenzo Harris

Vice-Presidents

Edward W. Reed, M.D. Stephanie Dowell Brigette Green Myla Johnson Stacey Hill Felicia Corbin #

DIRECTORS OR TRUSTEES

Alvin King Julius V. Combs, M.D. Rebecca Clark William Brooks Samuel King Frank Banks Beverly Williams-Cleaves, M.D. Thomas J. Marzette Charles Carpenter

State of TN County of Shelby ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature) (Signature) (Signature) Osbie Howard Marsha Lynn Robinson Lorenzo Harris (Printed Name) (Printed Name) (Printed Name) President Secretary Chief Financial Officer

Subscribed and sworn to before me this 26th day of February 2004 a. Is this an original filing? YES [X] NO [] b. If no: 1. State the amendment number 2. Date filed 02/27/2004 3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	3,153,128		3,153,128	3,121,523
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 5,567,716 , Schedule E-Part 1), cash equivalents (\$ 0 , Schedule E-Part 2) and short-term investments (\$ 0 , Schedule DA)	5,567,716		5,567,716	2,154,965
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivable for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	8,720,844		8,720,844	5,276,488
11. Investment income due and accrued	97,973		97,973	67,548
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	1,231,047		1,231,047	3,188,082
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers				
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts				
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset	308,100	308,100		
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$ 0)				
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivables from parent, subsidiaries and affiliates				275,000
21. Health care (\$ 1,050,000) and other amounts receivable	1,050,000		1,050,000	1,537,829
22. Other assets nonadmitted				
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	11,407,964	308,100	11,099,864	10,344,947
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	11,407,964	308,100	11,099,864	10,344,947

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903 + 0998) (Line 9 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 + 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)				1,076,691
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued				
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))	73,200		73,200	580
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittance and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates				31,197
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured accident and health plans				
21. Aggregate write-ins for other liabilities (including \$ 0 current)	1,900,925		1,900,925	2,152,348
22. Total liabilities (Lines 1 to 21)	1,974,125		1,974,125	3,260,816
23. Common capital stock	X X X	X X X	200,000	200,000
24. Preferred capital stock	X X X	X X X	12,550,000	12,550,000
25. Gross paid in and contributed surplus	X X X	X X X		
26. Surplus notes	X X X	X X X		
27. Aggregate write-ins for other than special surplus funds	X X X	X X X		
28. Unassigned funds (surplus)	X X X	X X X	(3,624,261)	(5,665,869)
29. Less treasury stock, at cost:				
29.1 0 shares common (value included in Line 23 \$ 0)	X X X	X X X		
29.2 0 shares preferred (value included in Line 24 \$ 0)	X X X	X X X		
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	9,125,739	7,084,131
31. Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	11,099,864	10,344,947
DETAILS OF WRITE-INS				
2101. Premium Tax Payable	1,085,726		1,085,726	1,337,149
2102. Overpayment from State of Tennessee	815,199		815,199	815,199
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,900,925		1,900,925	2,152,348
2701.	X X X	X X X		
2702.	X X X	X X X		
2703.	X X X	X X X		
2798. Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X	1,456,615	1,377,079
2. Net premium income (including \$ 0 non-health premium income)	X X X	524,496	101,265,990
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	1,061,600	1,784,507
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	1,586,096	103,050,497
Hospital and Medical:			
9. Hospital/medical benefits		499,885	61,874,046
10. Other professional services			2,875,613
11. Outside referrals			
12. Emergency room and out-of-area			10,211,130
13. Prescription drugs			14,692,948
14. Aggregate write-ins for other hospital and medical			4,020,499
15. Incentive pool, withhold adjustments, and bonus amounts			
16. Subtotal (Lines 9 to 15)		499,885	93,674,236
Less:			
17. Net reinsurance recoveries		308,386	
18. Total hospital and medical (Lines 16 minus 17)		191,499	93,674,236
19. Non-health claims			
20. Claims adjustment expenses		5,570,330	5,821,754
21. General administrative expenses		(6,150,859)	4,576,450
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		(389,030)	104,072,440
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,975,126	(1,021,943)
25. Net investment income earned		157,682	444,291
26. Net realized capital gains or (losses)			
27. Net investment gains or (losses) (Lines 25 plus 26)		157,682	444,291
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	2,132,808	(577,652)
31. Federal and foreign income taxes incurred	X X X	(120,460)	1,309,400
32. Net income (loss) (Lines 30 minus 31)	X X X	2,253,268	(1,887,052)
DETAILS OF WRITE-INS			
0601. Pharmacy Rebates	X X X	229,550	1,005,989
0602. Premium Tax Revenue from State	X X X	7,740	150,222
0603. Miscellaneous Revenue	X X X	824,310	628,296
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	1,061,600	1,784,507
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X		
1401. Durable Medical Equipment			1,402,214
1402. Transportation			2,618,285
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			4,020,499
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2
	Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	7,084,131	7,127,243
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	2,253,268	(1,887,052)
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	(14,400)	7,382
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(197,260)	1,836,558
40. Change in unauthorized reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Lines 34 to 47)	2,041,608	(43,112)
49. Capital and surplus end of reporting year (Line 33 plus 48)	9,125,739	7,084,131
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)		

REPORT #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSE

Statement as of December 31, 2003 of OmniCare Health Plan, Inc.

	Current Period	Current Year to Date	Prior Calendar Year
MEMBER MONTHS	387,561	1,456,615	1,377,079
REVENUES:			
1. TennCare Capitation	48,662,181	230,141,556	176,985,956
2. Investment	41,724	169,342	467,025
3. Other Revenue (Provide detail)	6,713,211	24,199,672	11,231,709
4. TOTAL REVENUES (Lines 1 to 3)	55,417,117	254,510,570	188,684,691
EXPENSES:			
Medical and Hospital Services			
5. Capitated Physician Services	1,838,885	7,409,522	7,377,732
6. Fee-for-Service Physician Services	4,930,963	18,226,560	13,284,668
7. Inpatient Hospital Services	13,023,024	73,977,299	47,770,625
8. Outpatient Services	14,746,330	59,881,038	28,043,989
9. Emergency Room Services	3,877,993	12,614,856	14,561,705
10. Mental Health Services	-	-	2,850
11. Dental Services	-	7,792	3,384,478
12. Vision Services	386,644	1,446,574	1,172,736
13. Pharmacy Services	2,869	17,850,535	30,359,998
14. Home Health Services	331,506	1,331,895	643,960
15. Chiropractic Services	-	-	-
16. Radiology Services	1,140,504	4,144,782	2,945,326
17. Laboratory Services	589,818	2,081,940	2,310,583
18. Durable Medical Equipment Services	910,938	4,168,273	2,601,889
19. Transportation Services	1,874,474	6,551,694	4,748,585
20. Outside Referrals	-	-	-
21. Medical Incentive Pool and Withhold Adjustments	-	-	-
22. Occupancy, Depreciation, and Amortization	-	-	-
23. Other Medical and Hospital Services (Provide detail)	5,505,215	20,856,086	9,568,395
24. Subtotal (Lines 5 to 23)	49,159,164	230,548,846	168,777,520
25. Reinsurance Expenses Net of Recoveries	(14,567)	439,528	697,308
LESS:		-	
26. Copayments	-	-	-
27. Subrogation	-	-	-
28. Coordination of Benefits	(118,982)	(202,078)	(57,892)
29. Subtotal (Lines 26 to 28)	(118,982)	(202,078)	(57,892)
30. TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	49,025,615	230,786,296	169,416,935
Administration:			
31. Compensation	1,187,628	5,032,575	5,664,330
32. Marketing	27,882	162,381	53,051
33. Interest Expense	-	-	-
34. Premium Tax Expense	1,096,545	5,047,002	3,695,380
35. Occupancy, Depreciation and Amortization	173,948	721,562	822,551
36. Other Administration (Provide detail)	3,290,520	10,507,487	10,919,497
37. TOTAL ADMINISTRATION (Lines 31 thru 36)	5,776,524	21,471,007	21,154,808
38. TOTAL EXPENSES (Lines 30 and 37)	54,802,138	252,257,303	190,571,743
39. NET INCOME (LOSS) (Line 4 less 38)	614,978	2,253,267	(1,887,053)

REPORT #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSE (DETAIL)
Statement as of December 31, 2003 of OmniCare Health Plan, Inc.

<u>Line 3 - Other Revenue</u>	Current Period	Current Year to Date	Prior Year
Pharmacy Rebates	\$301,389	\$1,195,626	\$1,005,989
Administrative Fee Revenue from State	5,092,052	17,132,734	7,783,041
Revenue from State for Premium Tax	1,096,545	5,047,002	1,814,383
Miscellaneous Revenue	223,226	824,310	628,296
Total	\$6,713,211	\$24,199,672	\$11,231,709

Line 23 - Other Medical and Hospital Services

Other Referral/Specialist Services	\$5,505,215	\$20,856,086	\$9,552,532
Physical Therapy	-	-	15,863
Total	\$5,505,215	\$20,856,086	\$9,568,395

Line 36 - Other Administration

Accounting Services	\$4,592	\$75,238	\$108,563
Legal Services	20,139	54,758	115,136
Physician Credentialing Services	-	-	
Professional Services	1,081,922	4,382,187	4,097,400
Board of Directors' Meetings	19,720	81,813	80,867
Bank Charges	1,482	2,840	9,418
Administrative Expenses	143,876	621,655	1,031,423
Consumables	104,160	380,712	513,325
Travel & Entertainment	50,988	131,528	145,750
Other Unassigned	1,107,843	2,895,913	2,023,817
Miscellaneous Expense	-	118,302	145,279
Provision for Income Taxes	51,200	(120,460)	1,309,400
Provision for Income Taxes of Mgmt company	704,600	1,883,000	1,339,119
Total	\$3,290,520	\$10,507,487	\$10,919,497

CASH FLOW

Cash from Operations		1	2
		Current Year	Prior Year
1.	Premiums collected net of reinsurance	2,481,531	99,217,950
2.	Net investment income	127,257	470,262
3.	Miscellaneous income	1,061,600	9,567,548
4.	Total (Lines 1 through 3)	3,670,388	109,255,760
5.	Benefit and loss related payments		
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	687,661	128,855,930
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$ 0 net tax on capital gains (losses)	(193,080)	1,375,820
10.	Total (Lines 5 to 9)	494,581	130,231,750
11.	Net cash from operations (Lines 4 minus 10)	3,175,807	(20,975,990)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	1,800,824	11,855,353
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains (losses) on cash and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	1,800,824	11,855,353
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	1,850,440	13,151,727
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	(3,600)	7,768
13.7	Total investments acquired (Lines 13.1 to 13.6)	1,846,840	13,159,495
14.	Net increase (decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(46,016)	(1,304,142)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds received		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	282,960	2,943,497
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	282,960	2,943,497
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Line 11, plus Line 15, plus Line 17)	3,412,751	(19,336,635)
19.	Cash and short-term investments:		
19.1	Beginning of year	2,154,965	21,491,600
19.2	End of year (Line 18 plus Line 19.1)	5,567,716	2,154,965

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	524,496			524,496
8. Stop loss				
9. Disability income				
10. Long-term care				
11. Other health				
12. Health subtotal (Lines 1 through 11)	524,496			524,496
13. Life				
14. Property / casualty				
15. Totals (Lines 12 to 14)	524,496			524,496

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

[illegible]

NONE Underwriting and Investment Exhibit - Part 2A

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental Only						
4. Vision Only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	1,576,576		(308,386)		1,268,190	1,076,691
8. Other health						
9. Health subtotal (Lines 1 to 8)	1,576,576		(308,386)		1,268,190	1,076,691
10. Other non-health						
11. Medical incentive pools, and bonus amounts						
12. Totals (Lines 9 to 11)	1,576,576		(308,386)		1,268,190	1,076,691

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS

(000 Omitted)

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior						
2. 1999						
3. 2000		X X X				
4. 2001		X X X	X X X			
5. 2002		X X X	X X X	X X X		
6. 2003		X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS
(000 Omitted)

Vision Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS
(000 Omitted)

Federal Employees Health Benefits Plan

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS
(000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

(000 Omitted)

Hospital & Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior						
2. 1999						
3. 2000		X X X				
4. 2001		X X X	X X X			
5. 2002		X X X	X X X	X X X		
6. 2003		X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratios

[illegible]

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS

(000 Omitted)

Medicare Supplement

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior						
2. 1999						
3. 2000		X X X				
4. 2001		X X X	X X X			
5. 2002		X X X	X X X	X X X		
6. 2003		X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X			
5. 2002	X X X	X X X	X X X		
6. 2003	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS

(000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	12,202					
2. 1999	49,639	12,151				
3. 2000	X X X	59,441	12,802			
4. 2001	X X X	X X X	82,744	19,196		
5. 2002	X X X	X X X	X X X	91,479	1,577	
6. 2003	X X X	X X X	X X X	X X X		

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	13,088					
2. 1999	61,007	12,255				
3. 2000	X X X	75,385	16,048			
4. 2001	X X X	X X X	97,575	18,077		
5. 2002	X X X	X X X	X X X	93,674	1,077	
6. 2003	X X X	X X X	X X X	X X X		

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS

(000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior						
2. 1999						
3. 2000		X X X				
4. 2001		X X X	X X X			
5. 2002		X X X	X X X	X X X		
6. 2003		X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior						
2. 1999						
3. 2000		X X X				
4. 2001		X X X	X X X			
5. 2002		X X X	X X X	X X X		
6. 2003		X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED HEALTH CLAIMS
(000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	12,202				
2. 1999	49,639	12,151			
3. 2000	X X X	59,441	12,802		
4. 2001	X X X	X X X	82,744	19,196	
5. 2002	X X X	X X X	X X X	91,479	1,577
6. 2003	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	13,088				
2. 1999	61,007	12,255			
3. 2000	X X X	75,385	16,048		
4. 2001	X X X	X X X	97,575	18,077	
5. 2002	X X X	X X X	X X X	93,674	1,077
6. 2003	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

[illegible]

NONE Underwriting and Investment Exhibit - Part 2D

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent (\$ 0 for occupancy of own building)	29,057	449,251		478,308
2. Salaries, wages and other benefits	208,281	4,518,061		4,726,342
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)				
4. Legal fees and expenses	5,476	49,282		54,758
5. Certifications and accreditation fees				
6. Auditing, actuarial and other consulting services	81,589	734,301		815,890
7. Traveling expenses		131,528		131,528
8. Marketing and advertising		(2,515)		(2,515)
9. Postage, express and telephone	21,309	359,590		380,899
10. Printing and office supplies	684	251,245		251,930
11. Occupancy, depreciation and amortization	11,019	232,235		243,254
12. Equipment				
13. Cost or depreciation of EDP equipment and software				
14. Outsourced services including EDP, claims, and other services	3,641,535			3,641,535
15. Boards, bureaus and association fees		81,734		81,734
16. Insurance, except on real estate	22,561	203,050		225,611
17. Collection and bank service charges	682	6,138		6,820
18. Group service and administration fees				
19. Reimbursements by uninsured accident and health plans				
20. Reimbursements from fiscal intermediaries				
21. Real estate expenses				
22. Real estate taxes				
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes				
23.2 State premium taxes		7,740		7,740
23.3 Regulator authority licenses and fees				
23.4 Payroll taxes	13,905	292,329		306,234
23.5 Other (excluding federal income and real estate taxes)	2,741	24,670		27,411
24. Investment expenses not included elsewhere				
25. Aggregate write-ins for expenses	1,531,492	(13,489,500)		(11,958,009)
26. Total expenses incurred (Lines 1 to 25)	5,570,330	(6,150,859)		(a) (580,528)
27. Less expenses unpaid December 31, current year				
28. Add expenses unpaid December 31, prior year				
29. Amounts receivable relating to uninsured accident and health plans, prior year				
30. Amounts receivable relating to uninsured accident and health plans, current year				
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	5,570,330	(6,150,859)		(580,528)
DETAILS OF WRITE-INS				
2501. Administrative Expense	12,460	112,136		124,595
2502. Consumables	6,826	61,436		68,262
2503. Other Unassigned	1,512,206	3,469,662		4,981,868
2598. Summary of remaining write-ins for Line 25 from overflow page		(17,132,734)		(17,132,734)
2599. Totals (Lines 2501 through 2503 + 2598) (Line 25 above)	1,531,492	(13,489,500)		(11,958,009)

(a) Includes management fees of \$ 16,211,514 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 87,972	83,228
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 4,841	39,997
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 46,118	34,458
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	138,931	157,683
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net investment income - (Line 10 minus Line 16)		157,683
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		
(a) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.		
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.		
(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.		
(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.		
(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)					

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 to 20, Column 2	308,100	110,840	(197,260)
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Leasehold improvements			
2.3 Cash advanced to or in hands of officers and agents			
2.4 Loans on personal security, endorsed or not			
2.5 Commuted commissions			
3. Total (Lines 2.1 to 2.5)			
4. Aggregate write-ins for other assets			
5. Total (Line 1 plus Line 3 and Line 4)	308,100	110,840	(197,260)
DETAILS OF WRITE-INS			
0401.			
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 through 0403 plus 0498) (Line 4 above)			

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	114,544	112,250	129,080	128,794	129,146	1,456,615
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total	114,544	112,250	129,080	128,794	129,146	1,456,615
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)						

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

[illegible]

EXHIBIT 4 - HEALTH CARE RECEIVABLES

[illegible]

NONE	Exhibit 5 - Claims Unpaid (Reported and Unreported)
NONE	Exhibit 6 - Amounts Due from Parent, Subsidiaries and Affiliates
NONE	Exhibit 7 - Amounts Due to Parent, Subsidiaries and Affiliates

EXHIBIT 8 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total	3 Total Members Covered	4 Column 3 as a % of Total	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups						
2. Intermediaries						
3. All other providers						
4. Total capitation payments						
Other Payments:						
5. Fee-for-service			X X X	X X X		
6. Contractual fee payments	1,576,576	100.00	X X X	X X X		1,576,576
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. Total other payments	1,576,576	100.00	X X X	X X X		1,576,576
13. Total (Line 4 plus Line 12)	1,576,576	100%	X X X	X X X		1,576,576

EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

[illegible]

NONE Exhibit 9 - Furniture, Equipment, and Supplies Owned

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of OmniCare Health Plan, Inc. are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissions' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee.

There are no reconciling items between the Company's net income and capital and surplus between NAIC SAP practices prescribed and permitted by the state of Tennessee.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

TennCare capitation revenues are recognized as health insurance coverage is provided to enrollees.

In addition, the company uses the following accounting policies:

- (1) Cash and cash equivalents include cash and all highly liquid investments with an original maturity of three months or less when purchased and are carried at cost, which approximates market value.
- (2) The carrying values of cash and cash equivalents, receivables, and fixed maturities approximate fair values of these instruments.
- (3) Comprehensive income is the total of net income and all other non-ownership changes in equity, as required by Financial Accounting Standard No. 130, *Reporting Comprehensive Income*.
- (4) The Company provides for medical claims incurred but not reported based primarily on past experience, together with current factors, using accepted actuarial methods. Estimates are adjusted as changes in these factors occur, and such adjustments are reported in the year of determination. Although considerable variability is inherent in such estimates, management believes that these reserves are adequate.
- (5) Fixed maturities are comprised of investments in certificates of deposit, federal agency debt securities, and U.S. Treasury notes carried at fair value, based upon published quotations of the underlying security, and six-month certificates of deposit, carried at cost plus interest earned, which approximates fair value. Fixed maturities placed in escrow to meet statutory funding requirements, although considered available for sale, are not reasonably expected to be used in the normal operating cycle of the Company and are classified as noncurrent. All other available-for-sale securities are classified as current.

Premiums and discounts are amortized or accreted, respectively, over the life of the related debt security as an adjustment to yield using the yield-to-maturity method. Interest income is recognized when earned. Realized gains and losses on investments are included in investment income and are derived using the specific identification method for determining the cost of securities sold; unrealized gains and losses on fixed maturities are recorded as a separate component of stockholders' equity, net of deferred federal income taxes.

NOTES TO FINANCIAL STATEMENTS

1. Accounting Changes and Corrections of Errors

A. Material Changes in Accounting Principles and/or Correction of Errors
None.

B. Cumulative Effect of Changes in Accounting Principles as a Result of the Initial Implementation of Codification

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Tennessee. Effective January 1, 2001, the State of Tennessee required that insurance companies domiciled in the State of Tennessee prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Tennessee insurance commissioner.

Accounting changes adopted to conform to the provision of the NAIC Accounting Practices and Procedures manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased (decreased) unassigned funds (surplus), of \$ 0 as of January 1, 2003.

2. Business Combinations and Goodwill

None.

3. Discontinued Operations

None.

4. Investments

- A. Mortgage Loans – None.
- B. Debt Restructuring – None.
- C. Reverse Mortgages – None.
- D. Loan-Backed Securities – None.
- E. Repurchase Agreements – None.

5. Joint Ventures, Partnerships and Limited Liability Companies

None.

6. Investment Income

Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

The total amount excluded was \$ 0.

7. Derivative Instruments

None.

8. Income Taxes

A. The components of the net deferred tax asset (liability) at December 31, 2003 and 2002 are as follows:

NOTES TO FINANCIAL STATEMENTS

	<u>2003</u>	<u>2002</u>
Total of all deferred tax assets (admitted and nonadmitted)	\$ 308,100	\$ 110,840
Total of all deferred tax liabilities	\$ 0	\$ 0
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	\$ 308,100	\$ 110,840
Increase (decrease) in deferred tax assets Nonadmitted	\$ 197,260	\$(1,313,660)

B. The components of income tax benefit for the years ended December 31, 2003 and 2002 are as follows:

	<u>2003</u>	<u>2002</u>
Current	\$ 0	\$ 0
Deferred	\$ (120,460)	\$ 1,309,400)
<u>Total</u>	\$ (120,460)	\$ (1,309,400)

C. Deferred income taxes arise primarily from net operating loss carry-forwards and unrealized investment holding gains. The Company has a net operating loss carry-forward for tax purposes of approximately \$3,200,000, which expires between 2011 and 2022.

9. Information Concerning Parent, Subsidiaries and Affiliates

At December 31, 2003, the Company reported \$ 0 as accounts receivable due from the Parent Company, United American of Tennessee, Inc.

The Parent Company, United American of Tennessee, Inc. has contracted with the Company to provide management services for their Medicaid HMO.

The Parent Company, United American of Tennessee, Inc. owns 75% of the Company's common stock and all of the Company's outstanding preferred stock.

10. Debt
None.

11. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
None.

12. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
The Company has 89,100,000 shares of common stock authorized with 8,000,000 shares issued and outstanding. The stock has a par value of \$0.025.

The Company has 12,550,000 shares of Series A preferred stock authorized, issued and outstanding. The stock has a par value of \$1.00 and is nonvoting, nonconvertible and non-dividend bearing. The stock has a liquidation preference of \$1.00 per share and is subject to redemption at any time by the Company at 110% of par value.

13. Contingencies
None.

15. Leases
None.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

NOTES TO FINANCIAL STATEMENTS

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

None.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None.

20. September 11 Events

None.

21. Other Items

None.

22. Events Subsequent

An action by Vanderbilt University in the Chancery Court for Davidson County, Tennessee: The Plaintiff's complaint, filed February 18, 2002, alleged that OmniCare-TN breached a contract by paying less than the plaintiff's full charges for health services provided by its hospital and physician group to OmniCare-TN members. The plaintiff was not an OmniCare-TN participating provider, and OmniCare-TN reimbursed the plaintiff at non-participating provider rates. The complaint sought additional reimbursement of the difference between the rates paid by OmniCare-TN and 100% of the plaintiff's billed charges. On May 28, 2002, the court denied the plaintiff's motion for partial summary judgment on the issue of liability and further held there was no enforceable contract as a matter of law. On July 31, 2002, the plaintiff amended the complaint to add an equitable claim based on quantum meruit/implied contract, seeking payment of the reasonable value of its services to OmniCare-TN members. OmniCare-TN answered the amended complaint on August 30, 2002, stating that it has paid the plaintiff in full for any services provided and asserting affirmative defenses, including that no express or implied contract existed between the parties. On July 7, 2003, the court entered an amended scheduling order setting a November 28, 2003 deadline for pretrial discovery and a trial date in April, 2004.

The parties have since agreed to settle the pending action by Vanderbilt University against OmniCare-TN in the Chancery Court for Davidson County, Tennessee (described in the Company's Form 10-Q quarterly report for the period ended December 31, 2002). Both parties have now entered into a written provider payor agreement for medical services provided to OmniCare-TN members since September 1, 2003, and they are working to finalize a written settlement agreement, which will be subject to approval by the State of Tennessee, Bureau of TennCare. The parties expect that upon TennCare's approval, such settlement agreement will be signed and the lawsuit will be permanently dismissed.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly by the company or by any representative, officer, trustee, or director of the company? NO
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? NO

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the

NOTES TO FINANCIAL STATEMENTS

reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? NO

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? NO

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company

may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? NO

B. Uncollectible Reinsurance
None.

C. Commutation of Ceded Reinsurance
None

18. Retrospectively Rated Contracts & Contracts Subject to Redetermination
None.

19. Change in Incurred Claims and Claim Adjustment Expenses
There has been no change in the provision for incurred claim and claim adjustment expenses attributable to insured events of prior years.

20. Intercompany Pooling Arrangements
None.

21. Structured Settlements
None.

22. Health Care Receivables
A. Pharmaceutical Rebate Receivables

NOTES TO FINANCIAL STATEMENTS

Quarter	Rebates Per FS	Actual Rebates	Rec'd in 90 Days	Rec'd 91 to 180	Rec'd More than 180
12/31/03	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
09/30/03					
06/30/03					
03/31/03					
12/31/02	287,829				307,677
09/30/02	535,951			248,122	307,677
06/30/02	726,564	746,411	190,613	248,122	307,677
03/31/02					
12/31/01					
09/30/01					
06/30/01	6,917	6,917	6,917		
03/31/01					

B. Risk Sharing Receivables
None.

29.

Participating Policies
None.
30.

Premium Deficiency Reserves
None.
31.

Anticipated Salvage and Subrogation
None.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	45,239	0.518	45,239	0.518
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC	2,125,139	24.320	2,125,139	24.320
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	1,000,000	11.444	1,000,000	11.444
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	5,567,716	63.718	5,567,716	63.718
9. Other invested assets				
10. Total invested assets	8,738,094	100.000	8,738,094	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [] No [X]
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [] No [] N/A [X]
- 1.3

State Regulating?

TN
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

03/31/2003
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

06/30/2000
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

09/07/2001
- 3.4

By what department or departments? State of Tennessee
Department of Commerce and Insurance
TennCare Division
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,

7.21

State the percentage of foreign control

0 %

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

GENERAL INTERROGATORIES
(continued)

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Follmer Rudzewicz Advisors, Inc.
26200 American Drive, Suite 500, Southfield, MI 48086-5004
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Edgar W. Schneider
2170 Satellite Blvd, Suite 150, Atlanta, GA 30097
Reden & Anders, Ltd.

11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A

11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] No []
11.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
13. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
15.11 To directors or other officers \$
15.12 To stockholders not officers \$
15.13 Trustees, supreme or grand (Fraternal only) \$
15.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
15.21 To directors or other officers \$
15.22 To stockholders not officers \$
15.23 Trustees, supreme or grand (Fraternal only) \$
16.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
16.2 If yes, state the amount thereof at December 31 of the current year:
16.21 Rented from others \$
16.22 Borrowed from others \$
16.23 Leased from others \$
16.24 Other \$
Disclose in Notes to Financial the nature of each obligation.
17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
17.2 If answer is yes:
17.21 Amount paid as losses or risk adjustment \$
17.22 Amount paid as expenses \$
17.23 Other amounts paid \$

GENERAL INTERROGATORIES

(continued)

INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred	12,550,000	12,550,000	1	1	Yes [X] No []	Yes [] No [X]
Common	89,100,000	8,000,000		X X X	X X X X X X	X X X X X X

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes [X] No []

19.2 If no, give full and complete information, relating thereto

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1).

Yes [] No [X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others

20.22 Subject to repurchase agreements

20.23 Subject to reverse repurchase agreements

20.24 Subject to dollar repurchase agreements

20.25 Subject to reverse dollar repurchase agreements

20.26 Pledged as collateral

20.27 Placed under option agreements

20.28 Letter stock or securities restricted as to sale

20.29 Other

\$

\$

\$

\$

\$

\$

\$

\$

\$

20.3 For each category above, if any of these assets are held by other, identify by whom held:

20.31

20.32

20.33

20.34

20.35

20.36

20.37

20.38

20.39

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No [] N/A [X]

If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

22.2 If yes, state the amount thereof at December 31 of the current year.

\$

GENERAL INTERROGATORIES

(continued)

INVESTMENT

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
AmSouth Bank	Nashville, TN

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes [] No [X]

23.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

23.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)]?

Yes [] No [X]

24.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
9999999 TOTAL		

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

GENERAL INTERROGATORIES

(continued)

OTHER

25.1

Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$

25.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

26.1

Amount of payments for legal expenses, if any?

\$54,758

26.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Boult-Cummings	\$28,873
Charles Carpenter	\$25,296
	\$
	\$

27.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$

27.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

GENERAL INTERROGATORIES

(Continued)

PART 2 - HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	YES []	NO [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$ _____	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$ _____	
1.31	Reason for excluding _____ _____ _____		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above	\$ _____	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$ _____	
1.6	Individual policies:		
	Most current three years:		
	1.61 Total premium earned	\$ _____	
	1.62 Total incurred claims	\$ _____	
	1.63 Number of covered lives	\$ _____	
	All years prior to most current three years:		
	1.64 Total premium earned	\$ _____	
	1.65 Total incurred claims	\$ _____	
	1.66 Number of covered lives	\$ _____	
1.7	Group policies:		
	Most current three years:		
	1.71 Total premium earned	\$ _____	
	1.72 Total incurred claims	\$ _____	
	1.73 Number of covered lives	\$ _____	
	All years prior to most current three years:		
	1.74 Total premium earned	\$ _____	
	1.75 Total incurred claims	\$ _____	
	1.76 Number of covered lives	\$ _____	
2.	Health Test:		
		1	2
		Current Year	Prior Year
	2.1 Premium Numerator	\$ _____	\$ _____
	2.2 Premium Denominator	\$ _____	\$ _____
	2.3 Premium Ratio (2.1/2.2)	_____	_____
	2.4 Reserve Numerator	\$ _____	\$ _____
	2.5 Reserve Denominator	\$ _____	\$ _____
	2.6 Reserve Ratio (2.4/2.5)	_____	_____
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	YES []	NO [X]
3.2	If yes, give particulars: _____ _____ _____		
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?	YES [X]	NO []
4.2	If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?	YES [X]	NO []
5.1	Does the reporting entity have stop-loss reinsurance?	YES [X]	NO []
5.2	If no, explain: _____ _____ _____		
5.3	Maximum retained risk (see instructions)		
	5.31 Comprehensive Medical	\$ _____	
	5.32 Medical Only	\$ _____	
	5.33 Medicare Supplement	\$ _____	
	5.34 Dental	\$ _____	
	5.35 Other Limited Benefit Plan	\$ _____	200,000
	5.36 Other	\$ _____	
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements: _____ _____ _____		
7.1	Does the reporting entity set up its claim liability for provider services on a service data basis?	YES [X]	NO []
7.2	If no, give details _____ _____ _____		
8.	Provide the following information regarding participating providers:		
	8.1 Number of providers at start of reporting year		1,128
	8.2 Number of providers at end of reporting year		1,241
9.1	Does the reporting entity have business subject to premium rate guarantees?	YES []	NO [X]
9.2	If yes, direct premium earned:		
	9.21 Business with rate guarantees between 15-36 months		_____
	9.22 Business with rate guarantees over 36 months		_____

GENERAL INTERROGATORIES

(Continued)

PART 2 - HEALTH INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold and Bonus/Arrangements in its provider contracts?

YES [] NO [X]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$ _____

10.22

Amount actually paid for year bonuses

\$ _____

10.23

Maximum amount payable withholds

\$ _____

10.24

Amount actually paid for year withholds

\$ _____

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

YES [] NO [X]

11.13

An Individual Practice Association (IPA), or,

YES [] NO [X]

11.14

A Mixed Model (combination of above)

YES [X] NO []

11.2

Is the reporting entity subject to Minimum Net Worth Requirements?

YES [X] NO []

11.3

If yes, show the name of the state requiring such net worth.

TN

11.4

If yes, show the amount required.

\$ _____ 7,087,612

11.5

Is this amount included as part of contingency reserve in stockholder's equity?

YES [] NO [X]

11.6

If the amount is calculated, show the calculation

\$222,507,434 = Total Payments from State

\$150,000,000 x 4% = \$6,000,000 and \$72,507,434 x 1.5% = \$1,087,612

\$6,000,000 + \$1,087,612 = \$7,087,612

12.

List service areas in which reporting entity is licensed to operate:

1		
Name of Service Area		
Shelby County	Southwest Tennessee	Northwest Tennessee

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2003	2002	2001	2000	1999
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	11,117,114	10,344,947	25,952,931	21,794,036	19,096,168
2. Total liabilities (Page 3, Line 22)	1,974,125	3,260,816	18,825,687	16,709,255	13,619,233
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 30)	9,125,739	7,084,131	7,127,243	5,084,781	5,476,935
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	1,586,096	110,833,538	113,491,948	88,114,592	73,597,421
6. Total medical and hospital expenses (Line 18)	191,499	93,674,236	97,575,047	75,072,004	59,122,457
7. Total administrative expenses (Line 21)	(6,150,859)	12,359,491	11,514,272	13,485,756	11,911,500
8. Net underwriting gain (loss) (Line 24)	1,975,126	(1,021,943)	629,207	(1,488,004)	1,622,144
9. Net investment gain (loss) (Line 27)	157,682	444,291	1,136,350	1,044,836	919,788
10. Total other income (Line 28 plus 29)					21,532
11. Net income or (loss) (Line 32)	2,253,268	(1,887,052)	3,132,457	(446,468)	2,553,064
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	9,125,739	7,084,131	6,712,833	5,090,981	5,476,935
13. Authorized control level risk-based capital	838,584	4,841,400	4,863,153	1,635,166	394,061
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	129,146	114,544	79,739	51,092	41,494
15. Total members months (Column 6, Line 7)	1,456,615	1,377,079	778,207	562,540	519,550
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5)					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total hospital and medical (Line 18)	36.5	92.5	86.4	86.6	81.7
18. Total underwriting deductions (Line 23)	(74.2)	100.1	99.8	102.2	98.2
19. Total underwriting gain (loss) (Line 24)	376.6	(1.0)	0.6	(1.7)	2.2
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 12, Col. 5)	1,268,190	18,077,140	16,048,143	12,254,948	13,088,289
21. Estimated liability of unpaid claims - [prior year (Line 12, Col. 6)]	1,076,691	18,077,140	16,048,143	12,254,948	13,088,289
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26. Affiliated mortgage loans on real estate					
27. All other affiliated					
28. Total of above Lines 22 to 27					



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION, OmniCare Health Plan, Inc. 2. DIVISION, Memphis, TN (LOCATION)

NAIC Group Code: 0000 BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR 2003 NAIC Company Code 00000

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	114,544								114,544				
2. First Quarter	112,250								112,250				
3. Second Quarter	129,080								129,080				
4. Third Quarter	128,794								128,794				
5. Current Year	129,146								129,146				
6. Current Year Member Months	1,456,615								1,456,615				
Total Member Ambulatory Encounters for Year:													
7. Physician	1,029,711								1,029,711				
8. Non-Physician	153,851								153,851				
9. Total	1,183,562								1,183,562				
10. Hospital Patient Days Incurred	54,230								54,230				
11. Number of Inpatient Admissions	10,337								10,337				
12. Health Premiums Collected	1,711,849								1,711,849				
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	524,496								524,496				
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	1,576,576								1,576,576				
18. Amount Incurred for Provision of Health Care Services	499,885								499,885				

(a) For health business: number of persons insured under PPO managed care products and number of persons insured under indemnity only products



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION, OmniCare Health Plan, Inc. 2. DIVISION, Memphis, TN (LOCATION)

NAIC Group Code: 0000 BUSINESS IN THE STATE OF TOTAL DURING THE YEAR 2003 NAIC Company Code 00000

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	114,544								114,544				
2. First Quarter	112,250								112,250				
3. Second Quarter	129,080								129,080				
4. Third Quarter	128,794								128,794				
5. Current Year	129,146								129,146				
6. Current Year Member Months	1,456,615								1,456,615				
Total Member Ambulatory Encounters for Year:													
7. Physician	1,029,711								1,029,711				
8. Non-Physician	153,851								153,851				
9. Total	1,183,562								1,183,562				
10. Hospital Patient Days Incurred	54,230								54,230				
11. Number of Inpatient Admissions	10,337								10,337				
12. Health Premiums Collected	1,711,849								1,711,849				
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	524,496								524,496				
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	1,576,576								1,576,576				
18. Amount Incurred for Provision of Health Care Services	499,885								499,885				

(a) For health business: number of persons insured under PPO managed care products and number of persons insured under indemnity only products

NONE **Schedule A, B, and BA Verification**

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	2,153,128	2,170,379	2,156,128	2,150,000
	2. Canada				
	3. Other Countries				
	4. Totals	2,153,128	2,170,379	2,156,128	2,150,000
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	1,000,000	1,000,000	1,000,000	
	22. Canada				
	23. Other Countries				
	24. Totals	1,000,000	1,000,000	1,000,000	
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	3,153,128	3,170,379	3,156,128	2,150,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks	3,153,128	3,170,379	3,156,128	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 0 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	3,121,523	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	1,850,440	6.1 Column 17, Part 1	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1	
3.1 Column 16, Part 1	(18,011)	6.3 Column 11, Part 2, Section 2	
3.2 Column 12, Part 2, Section 1		6.4 Column 11, Part 4	
3.3 Column 10, Part 2, Section 2		7. Book/adjusted carrying value at end of current period	3,153,128
3.4 Column 10, Part 4	(18,011)	8. Total valuation allowance	
4. Total gain (loss), Column 14, Part 4		9. Subtotal (Lines 7 plus 8)	3,153,128
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	1,800,824	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	3,153,128

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1		2,153,128				2,153,128	68.285	2,121,523	67.964	2,153,128	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals		2,153,128				2,153,128	68.285	2,121,523	67.964	2,153,128	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1		1,000,000				1,000,000	31.715	1,000,000	32.036	1,000,000	
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals		1,000,000				1,000,000	31.715	1,000,000	32.036	1,000,000	
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1		3,153,128				3,153,128	100.000	X X X	X X X	3,153,128	
10.2 Class 2								X X X	X X X		
10.3 Class 3								X X X	X X X		
10.4 Class 4								X X X	X X X		
10.5 Class 5						(c)		X X X	X X X		
10.6 Class 6						(c)		X X X	X X X		
10.7 Totals		3,153,128				(b) 3,153,128	100.000	X X X	X X X	3,153,128	
10.8 Line 10.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	
11. Total Bonds Prior Year											
11.1 Class 1		3,121,523				X X X	X X X	3,121,523	100.000	3,121,523	
11.2 Class 2						X X X	X X X				
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 Totals		3,121,523				X X X	X X X	(b) 3,121,523	100.000	3,121,523	
11.8 Line 11.7 as a % of Col. 8		100.000				X X X	X X X	100.000	X X X	100.000	
12. Total Publicly Traded Bonds											
12.1 Class 1		3,153,128				3,153,128	100.000	3,121,523	100.000	3,153,128	X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 Totals		3,153,128				3,153,128	100.000	3,121,523	100.000	3,153,128	X X X
12.8 Line 12.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10		100.000				100.000	X X X	X X X	X X X	100.000	X X X
13. Total Privately Placed Bonds											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 current year, \$ 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, \$ 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations		2,153,128				2,153,128	68.285	2,121,523	67.964	2,153,128	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 Totals		2,153,128				2,153,128	68.285	2,121,523	67.964	2,153,128	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined											
2.6 Other											
2.7 Totals											
3. States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined											
3.6 Other											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined											
4.6 Other											
4.7 Totals											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations											
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined											
5.6 Other											
5.7 Totals											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book Adjusted Carrying Values by Major Type and Subtype of Issues

[illegible]

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations		3,153,128				3,153,128	100.000	X X X	X X X	3,153,128	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities								X X X	X X X		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 Totals		3,153,128				3,153,128	100.000	X X X	X X X	3,153,128	
10.8 Line 10.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	
11. Total Bonds Prior Year											
11.1 Issuer Obligations		3,121,523				X X X	X X X	3,121,523	100.000	3,121,523	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						X X X	X X X				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined						X X X	X X X				
11.4 Other						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined						X X X	X X X				
11.6 Other						X X X	X X X				
11.7 Totals		3,121,523				X X X	X X X	3,121,523	100.000	3,121,523	
11.8 Line 11.7 as a % of Col. 8		100.000				X X X	X X X	100.000	X X X	100.000	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations		3,153,128				3,153,128	100.000	3,121,523	100.000	3,153,128	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities											X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined											X X X
12.4 Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined											X X X
12.6 Other											X X X
12.7 Totals		3,153,128				3,153,128	100.000	3,121,523	100.000	3,153,128	X X X
12.8 Line 12.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10		100.000				100.000	X X X	X X X	X X X	100.000	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

NONE	Schedule DA - Part 2
NONE	Schedule DB - Part A and B Verification
NONE	Schedule DB - Part C, D and E Verification
NONE	Schedule DB - Part F - Section 1
NONE	Schedule DB - Part F - Section 2
NONE	Schedule S - Part 1 - Section 2
NONE	Schedule S - Part 2

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

[illegible]

NONE Schedule S - Part 4

SCHEDULE S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business

(000 Omitted)

	1 2003	2 2002	3 2001	4 2000	5 1999
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII-Medicare					
3. Title XIX-Medicaid		322	463	5	118
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses					235
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	8,738,094		8,738,094
2. Accident and health premiums due and unpaid (Line 12)	1,231,047		1,231,047
3. Amounts recoverable from reinsurers (Line 13.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	1,147,973		1,147,973
6. Total assets (Line 26)	11,117,114		11,117,114
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)			
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)			
10. Reinsurance in unauthorized companies (Line 18)			
11. All other liabilities (Balance)	1,974,125		1,974,125
12. Total liabilities (Line 22)	1,974,125		1,974,125
13. Total capital and surplus (Line 30)	9,142,989	X X X	9,142,989
14. Total liabilities, capital and surplus (Line 31)	11,117,114		11,117,114
NET CREDIT FOR CEDED REINSURANCE			
15. Claims unpaid			
16. Accrued medical incentive pool			
17. Premiums received in advance			
18. Reinsurance recoverable on paid losses			
19. Other ceded reinsurance recoverables			
20. Total ceded reinsurance recoverables			
21. Premiums receivable			
22. Unauthorized reinsurance			
23. Other ceded reinsurance payables/offsets			
24. Total ceded reinsurance payables/offsets			
25. Total net credit for ceded reinsurance			

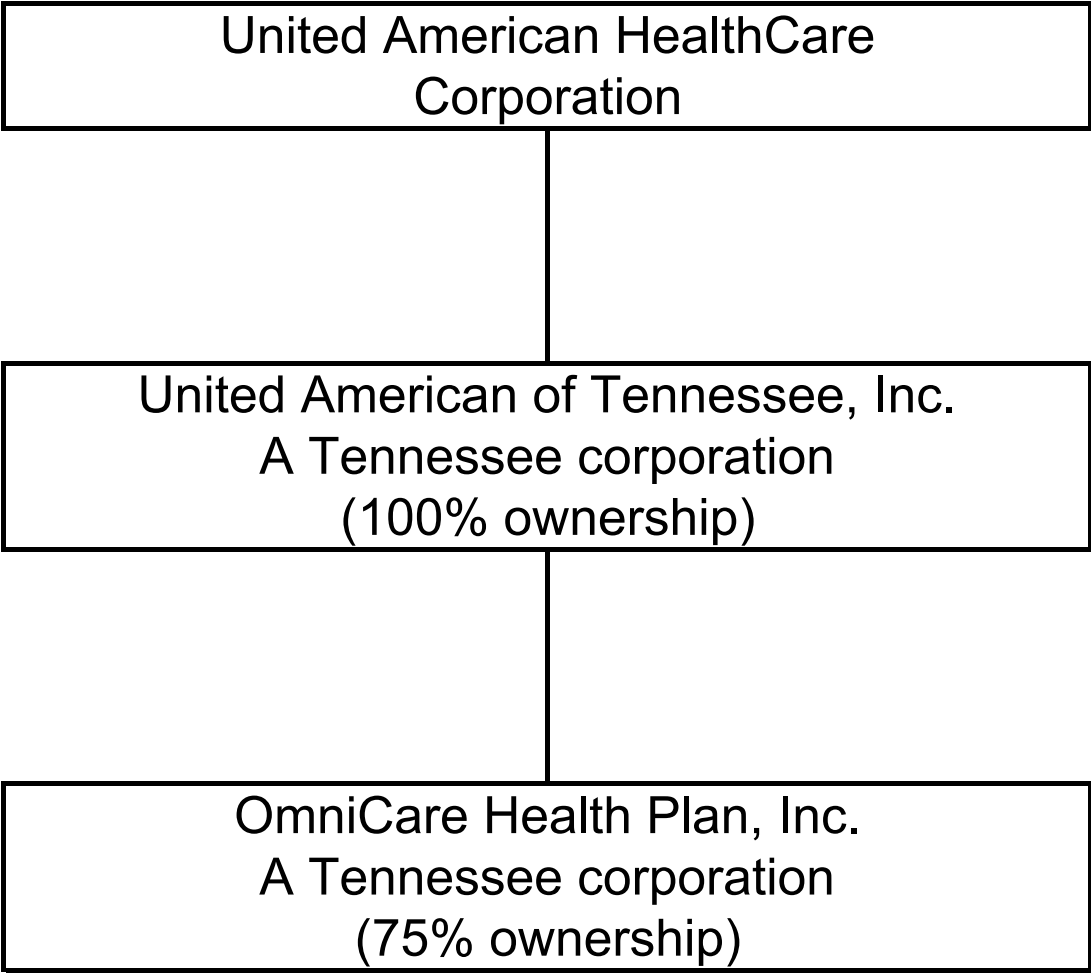
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only					
				3 Accident & Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life & Annuity Premiums & Deposit- Type Contract Funds	8 Property/ Casualty Premiums
1.	Alabama	AL	NO						
2.	Alaska	AK	NO						
3.	Arizona	AZ	NO						
4.	Arkansas	AR	NO						
5.	California	CA	NO						
6.	Colorado	CO	NO						
7.	Connecticut	CT	NO						
8.	Delaware	DE	NO						
9.	Dist. Columbia	DC	NO						
10.	Florida	FL	NO						
11.	Georgia	GA	NO						
12.	Hawaii	HI	NO						
13.	Idaho	ID	NO						
14.	Illinois	IL	NO						
15.	Indiana	IN	NO						
16.	Iowa	IA	NO						
17.	Kansas	KS	NO						
18.	Kentucky	KY	NO						
19.	Louisiana	LA	NO						
20.	Maine	ME	NO						
21.	Maryland	MD	NO						
22.	Massachusetts	MA	NO						
23.	Michigan	MI	NO						
24.	Minnesota	MN	NO						
25.	Mississippi	MS	NO						
26.	Missouri	MO	NO						
27.	Montana	MT	NO						
28.	Nebraska	NE	NO						
29.	Nevada	NV	NO						
30.	New Hampshire	NH	NO						
31.	New Jersey	NJ	NO						
32.	New Mexico	NM	NO						
33.	New York	NY	NO						
34.	North Carolina	NC	NO						
35.	North Dakota	ND	NO						
36.	Ohio	OH	NO						
37.	Oklahoma	OK	NO						
38.	Oregon	OR	NO						
39.	Pennsylvania	PA	NO						
40.	Rhode Island	RI	NO						
41.	South Carolina	SC	NO						
42.	South Dakota	SD	NO						
43.	Tennessee	TN	NO			524,496			
44.	Texas	TX	NO						
45.	Utah	UT	NO						
46.	Vermont	VT	NO						
47.	Virginia	VA	NO						
48.	Washington	WA	NO						
49.	West Virginia	WV	NO						
50.	Wisconsin	WI	NO						
51.	Wyoming	WY	NO						
52.	American Samoa	AS	NO						
53.	Guam	GU	NO						
54.	Puerto Rico	PR	NO						
55.	U.S. Virgin Islands	VI	NO						
56.	Canada	CN	NO						
57.	Aggregate Other Alien	OT	X X X	X X X					
58.	Total (Direct Business)	X X X	(a)	1		524,496			
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798.	Summary of remaining write-ins for Line 57 from overflow page								
5799.	Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)								
Explanation of basis of allocation by states, premiums by state, etc.									

(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



5
6

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

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SCHEDULE Y (continued)

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

[illegible]

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	MARCH FILING	RESPONSE
1.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
2.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
3.	Will an actuarial certification be filed by March 1?	YES
4.	Will the Risk-based Capital Report be filed with the NAIC by March 1?	NO
5.	Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	NO
6.	Will the SVO Compliance Certification be filed by March 1?	YES
7.	Will the Life Supplement be filed with the state of domicile and the NAIC by March 1?	NO
8.	Will the Property / Casualty Supplement be filed with the state of domicile and the NAIC by March 1?	NO
	APRIL FILING	
9.	Will Management's Discussion and Analysis be filed by April 1?	YES
10.	Will the Long-Term Care Experience Reporting Forms be filed with the the state of domicile and the NAIC by April 1?	NO
11.	Will the Investment Risks Interrogatories be filed by April 1?	NO
	JUNE FILING	
12.	Will an audited financial report be filed by June 1 with the state of domicile?	YES

Explanation:

Company does not write Medicare Supplement Insurance

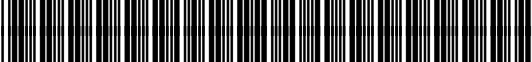
The State of Tennessee does not require the Plan to file with the NAIC

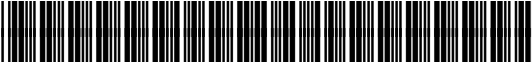
This information is not required by the State of Tennessee

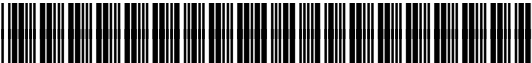
Company does not write long-term care insurance

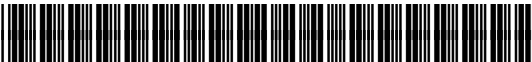
The State of Tennessee does not require the Plan to file with the NAIC


Bar code:



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OVERFLOW PAGE FOR WRITE-INS

OVERFLOW PAGE FOR WRITE-INS

Page 7 - Continuation

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplemental	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other Health	Other Non-Health

REMAINING WRITE-INS AGGREGATED AT LINE 05 FOR OTHER HEALTH CARE RELATED REVENUES

0504. Premium Tax Revenue from State	7,740							7,740				XXX
0505.												XXX
0506.												XXX
0507.												XXX
0508.												XXX
0509.												XXX
0510.												XXX
0511.												XXX
0512.												XXX
0513.												XXX
0514.												XXX
0515.												XXX
0516.												XXX
0517.												XXX
0518.												XXX
0519.												XXX
0520.												XXX
0521.												XXX
0522.												XXX
0523.												XXX
0524.												XXX
0525.												XXX
0597. Totals (Lines 0504 through 0525) (to Page 7, Line 0598)	7,740							7,740				XXX

REMAINING WRITE-INS AGGREGATED AT LINE 6 FOR OTHER NON-HEALTH CARE RELATED REVENUES

[illegible]

OVERFLOW PAGE FOR WRITE-INS

Page 14 - Continuation
UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR EXPENSES				
2504. Fixed Administrative Revenue		(17,132,734)		(17,132,734)
2505.				
2506.				
2507.				
2508.				
2509.				
2510.				
2511.				
2512.				
2513.				
2514.				
2515.				
2516.				
2517.				
2518.				
2519.				
2520.				
2521.				
2522.				
2523.				
2524.				
2525.				
2597. Totals (Lines 2504 through 2525) (Page 14, Line 2598)		(17,132,734)		(17,132,734)

NONE	Schedule A - Part 1
NONE	Schedule A - Part 2
NONE	Schedule A - Part 3
NONE	Schedule B - Part 1
NONE	Schedule B - Part 2
NONE	Schedule BA - Part 1
NONE	Schedule BA - Part 2

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identi- fication	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/ Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Desig- nation	Date Acquired	Effective Rate of Interest
3133MNJS1	Federal Home Loan Bank		5.200	MN	05/07/2007	05/07/2004	100.000	100,500	100,000	101.41	101,410	100,500	540	5,200				1	05/15/2002	4.931
3133MUFK6	Federal Home Loan Bank		4.125	JD	12/19/2007	12/19/2003	100.000	202,188	200,000	100.65	201,300	202,188	204	8,250				1	12/23/2002	3.881
3133MUWA9	Federal HLB Construction Bonds		3.650	JJ	01/24/2008	01/24/2005	100.000	1,406,756	1,405,000	100.99	1,418,910	1,409,756	20,717	24,929				1	01/29/2003	3.584
912828BF6	US Treasury Notes		2.375	FA	08/15/2006	N/A	N/A	45,309	45,000	100.53	45,239	45,309	365					1	09/09/2003	2.132
3136F4VY7	Federal National Mortgage Association		3.550	JD	12/03/2007	12/03/2004	100.000	398,375	400,000	100.88	403,520	398,375	1,085		(18,011)			1	12/03/2003	3.660
0199999	Subtotal-U.S. Governments-Issuer Obligations							2,153,128	2,150,000	X X X	2,170,379	2,156,128	22,911	38,379	(18,011)			X X X	X X X	X X X
0399999	Subtotal-U.S. Governments							2,153,128	2,150,000	X X X	2,170,379	2,156,128	22,911	38,379	(18,011)			X X X	X X X	X X X
	CD - Nat'l Bank of Commerce Memphis TN		4.000	N/A	02/14/2005			1,000,000			1,000,000	1,000,000	75,063						02/14/2002	4.000
3999999	Subtotal-Industrial and Misc.-Issuer Obligations							1,000,000		X X X	1,000,000	1,000,000	75,063					X X X	X X X	X X X
4599999	Subtotal-Industrial and Miscellaneous (Unaffiliated)							1,000,000		X X X	1,000,000	1,000,000	75,063					X X X	X X X	X X X
5499999	Total Bonds-Issuer Obligations							3,153,128	2,150,000	X X X	3,170,379	3,156,128	97,974	38,379	(18,011)			X X X	X X X	X X X
6099999	Totals							3,153,128	2,150,000	X X X	3,170,379	3,156,128	97,974	38,379	(18,011)			X X X	X X X	X X X

NONE Schedule D - Part 2 - Section 1

NONE Schedule D - Part 2 - Section 2

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
3133MUWA9	Federal Home Loan Bank Cons Bd	01/29/2003	AmSouth Capital Markets		1,406,756	1,405,000.00	712
912828BF6	US Treasury Notes	09/09/2003	AmSouth Capital Markets		45,309	45,000.00	73
3136F4VY7	Federal National Mortgage Assn.	12/05/2003	AmSouth Capital Markets		398,375	400,000.00	79
0399999	Subtotal - Bonds - U. S. Government			X X X	1,850,440	1,850,000.00	864
6099997	Subtotal - Bonds - Part 3			X X X	1,850,440	1,850,000.00	864
6099999	Subtotal - Bonds			X X X	1,850,440	1,850,000.00	864
7299999	Total Bonds, Preferred Stock and Common Stock			X X X	1,850,440	X X X	864

E11

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

[illegible]

NONE	Schedule D - Part 5
NONE	Schedule D - Part 6 - Section 1 and 2
NONE	Schedule DA - Part 1
NONE	Schedule DB - Part A - Section 1 and 2
NONE	Schedule DB - Part A - Section 3 and Part B - Section 1
NONE	Schedule DB - Part B - Section 2 and 3
NONE	Schedule DB - Part C - Section 1 and 2
NONE	Schedule DB - Part C - Section 3 and Part D - Section 1
NONE	Schedule DB - Part D - Section 2 and 3
NONE	Schedule DB - Part E - Section 1

SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
1. Bonds	3,153,128	3,170,379	17,251
2. Preferred Stocks			
3. Totals	3,153,128	3,170,379	17,251

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

The fair market values of the bonds as of 12/31/03 were provided by AmSouth Capital Markets

SCHEDULE E - PART 1 - CASH

1	2	3	4	5	6
Depository	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
OPEN DEPOSITORIES					
AmSouth Bank - HMO Checking	Memphis, TN	0.250		212,786	
AmSouth Bank - Subrogation	Memphis, TN			26,070	
AmSouth Bank - ASO Operating	Memphis, TN	0.250	11,660	1,715,239	
Tri-State Bank - Checking	Memphis, TN			541	
National Bank of Commerce - MMKT #147	Memphis, TN	0.690	953	103,131	
National Bank of Commerce - MMKT #456	Memphis, TN	1.250	5,875	1,505,875	
Capital One - MMKT	Glen Allen, VA	1.990	17,529	1,002,017	
Memphis First - MMKT	Memphis, TN	1.250	2,058	502,058	
State Farm Bank - MMKT	Bloomington, IL	1.640		500,000	
0199998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories.	X X X				X X X
0199999 Totals-Open Depositories	X X X	38,075		5,567,716	X X X
SUSPENDED DEPOSITORIES					
0299998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories.	X X X				X X X
0299999 Totals - Suspended Depositories	X X X				X X X
0399999 Total Cash on Deposit	X X X	38,075		5,567,716	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X		X X X
0599999 Total Cash	X X X	38,075		5,567,716	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	2,877,555	4. April	(2,377,271)	7. July	4,135,635	10. October	5,027,534
2. February	(298,815)	5. May	3,169,186	8. August	4,381,834	11. November	4,221,462
3. March	2,531,534	6. June	2,722,609	9. September	4,828,895	12. December	5,567,716

NONE **Schedule E - Part 2**

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

1	2	3	4	5	6	7
Line Number	Type	Description of Deposit	Where Deposited and Purpose of Deposit	Par or Book Value	Statement Value (a)	Fair Value
	B	Federal Home Loan Bank, Par \$100M, 5.2%, Maturity 05/07/07	AmSouth Capital Markets, Nashville, TN - Statutory Reserve	100,000	100,500	101,410
	B	Federal Home Loan Bank, Par \$200M, 4.125%, Maturity 12/19/07	AmSouth Capital Markets, Nashville, TN - Statutory Reserve	200,000	202,188	201,300
	B	Federal HLB Const Bonds, Par \$1,405M, 3.65%, Maturity 01/24/08	AmSouth Capital Markets, Nashville, TN - Statutory Reserve	1,405,000	1,406,756	1,418,910
	B	US Treasury Notes, Par \$45M, 2.375%, Maturity 08/15/06	AmSouth Capital Markets, Nashville, TN - Statutory Reserve	45,000	45,309	45,239
	B	Fed Nat'l Mortgage Assoc, Par \$400M, 3.55%, Maturity 12/03/07	AmSouth Capital Markets, Nashville, TN - Statutory Reserve	400,000	398,375	403,520
5299999		ALL OTHER		2,150,000	2,153,128	2,170,379
9999997	Total - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company			2,150,000	2,153,128	2,170,379
E 2 6						
9999999	Totals			2,150,000	2,153,128	2,170,379

(a) Including \$ 0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.



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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

Due April 1

For the year ended December 31, 2003

Of The Insurance Company

Address (City, State, Zip Code)

NAIC Group Code 0000 NAIC Company Code 00000 Employer's ID Number 00-0000000

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by stating the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments as shown on the Summary Investment Schedule. All reporting entities must answer interrogatories 1 through 4, 11, 13 through 17, 19 and if applicable, 20 through 24. Answer each of interrogatories 5 through 10 only if the reporting entity's aggregate holding in the gross investment category addressed in interrogatory 4 equals or exceeds 2.5% of the reporting entity's total admitted assets. Answer interrogatory 12 only if the reporting entity's aggregate holding in the gross investment category addressed in interrogatory 11 equals or exceeds 2.5% of the reporting entity's total admitted assets. Answer interrogatory 18 only if the reporting entity's aggregate holding in the gross investment category addressed in interrogatory 17 equals or exceeds 2.5% of the reporting entity's total admitted assets. For Life, Health and Fraternal blanks, responses are to exclude Separate Accounts. For Property Casualty blank, responses are to exclude Protected Cell Accounts.

- 1. State the reporting entity's total admitted assets as reported in Page 2 of this annual statement. \$
- 2. State by investment category the 10 largest exposures to a single issuer/borrower/investment, excluding U.S. government, U. S. government agency securities and those U. S. Government money market funds listed in the Appendix to the SVO Purposes and Procedures Manual as exempt, property occupied by the company and policy loans.

	1	2	3
	Investment Category	Amount	Percentage of Total Admitted Assets
2.01		\$	%
2.02		\$	%
2.03		\$	%
2.04		\$	%
2.05		\$	%
2.06		\$	%
2.07		\$	%
2.08		\$	%
2.09		\$	%
2.10		\$	%

- 3. State the amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

	Bonds	1	2	Preferred Stocks	3	4
3.01	NAIC-1	\$	%	3.07	P/RP-1	\$ %
3.02	NAIC-2	\$	%	3.08	P/RP-2	\$ %
3.03	NAIC-3	\$	%	3.09	P/RP-3	\$ %
3.04	NAIC-4	\$	%	3.10	P/RP-4	\$ %
3.05	NAIC-5	\$	%	3.11	P/RP-5	\$ %
3.06	NAIC-6	\$	%	3.12	P/RP-6	\$ %

- 4. State the amounts and percentages of the reporting entity's total admitted assets held in foreign investments (regardless of whether there is any foreign currency exposure) and unhedged foreign currency exposure (defined as the statement value of investments denominated in foreign currencies which are not hedged by financial instruments qualifying for hedge accounting as specified in SSAP No. 31 - Derivative Instruments and SSAP No. 86 - Derivative Instruments), including (4.01) foreign-currency-denominated investments of \$ 0 ; .000 % (4.02) supporting insurance liabilities denominated in that same foreign currency of \$ 0 ; .000 % and excluding (4.03) Canadian investments and currency exposure of \$ 0 ; .000 %

Assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatories 5 - 10.(4.04) Yes [] No [X]

5.	Aggregate foreign investment exposure categorized by NAIC sovereign rating:	<u>1</u>	<u>2</u>	
5.01	Countries rated NAIC-1	\$ .....	.....	%
5.02	Countries rated NAIC-2	\$ .....	.....	%
5.03	Countries rated NAIC-3 or below	\$ .....	.....	%
6.	Two largest foreign investment exposures to a single country, categorized by the country's NAIC sovereign rating:	<u>1</u>	<u>2</u>	
	Countries rated NAIC-1:			
6.01	Country:	\$ .....	.....	%
6.02	Country:	\$ .....	.....	%
	Countries rated NAIC-2:			
6.03	Country:	\$ .....	.....	%
6.04	Country:	\$ .....	.....	%
	Countries rated NAIC-3 or below:			
6.05	Country:	\$ .....	.....	%
6.06	Country:	\$ .....	.....	%
7.	Aggregate unhedged foreign currency exposure	<u>1</u>	<u>2</u>	%
8.	Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:	<u>1</u>	<u>2</u>	
8.01	Countries rated NAIC-1	\$ .....	.....	%
8.02	Countries rated NAIC-2	\$ .....	.....	%
8.03	Countries rated NAIC-3 or below	\$ .....	.....	%
9.	Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:	<u>1</u>	<u>2</u>	
	Countries rated NAIC-1:			
9.01	Country:	\$ .....	.....	%
9.02	Country:	\$ .....	.....	%
	Countries rated NAIC-2:			
9.03	Country:	\$ .....	.....	%
9.04	Country:	\$ .....	.....	%
	Countries rated NAIC-3 or below:			
9.05	Country:	\$ .....	.....	%
9.06	Country:	\$ .....	.....	%
10.	List the 10 largest non-sovereign (i.e. non-governmental) foreign issues:	<u>2</u>	<u>3</u>	
	<u>1</u>			
	<u>NAIC Rating</u>			
10.01	NAIC rating	\$ .....	.....	%
10.02	NAIC rating	\$ .....	.....	%
10.03	NAIC rating	\$ .....	.....	%
10.04	NAIC rating	\$ .....	.....	%
10.05	NAIC rating	\$ .....	.....	%
10.06	NAIC rating	\$ .....	.....	%
10.07	NAIC rating	\$ .....	.....	%
10.08	NAIC rating	\$ .....	.....	%
10.09	NAIC rating	\$ .....	.....	%
10.10	NAIC rating	\$ .....	.....	%

SUPPLEMENT FOR THE YEAR 2003 OF THE

11. State the amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure, including Canadian-currency-denominated investments of (11.01) \$ 0 ;000 % supporting Canadian-denominated insurance liabilities of (11.02) \$ 0 ;000 %

Assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 12. (11.03) Yes ☐ No ☒

12. Aggregate Canadian investment exposure.

	<u>1</u>	<u>2</u>	
12.01 Canadian investments	\$	%
12.02 Unhedged Canadian currency exposure	\$	%

13. State the aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions (defined as investments having restrictions that prevent investments from being sold within 90 days).

Assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 13. Yes ☐ No ☒

	<u>1</u>	<u>2</u>	<u>3</u>	
13.01 Aggregate statement value of investments with contractual sales restrictions		\$	%
Largest 3 investments with contractual sales restrictions:				
13.02		\$	%
13.03		\$	%
13.04		\$	%

14. State the amounts and percentages of admitted assets held in the largest 10 equity interests (including investments in the shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities, and excluding money market and bond mutual funds listed in the Appendix to the SVO Practices and Procedures Manual as exempt or Class 1).

Assets held in equity interests less than 2.5% of the reporting entity's total; admitted assets, therefore detail not required for interrogatory 14. Yes ☐ No ☒

	<u>1</u> Investment Category	<u>2</u>	<u>3</u>	
14.01		\$	%
14.02		\$	%
14.03		\$	%
14.04		\$	%
14.05		\$	%
14.06		\$	%
14.07		\$	%
14.08		\$	%
14.09		\$	%
14.10		\$	%

15. State the amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities (included in other equity securities) and excluding securities eligible for sale under Securities Exchange Commission (SEC) Rule 144a or SEC Rule 144 without volume restrictions.

Assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 15. Yes ☐ No ☒

SUPPLEMENT FOR THE YEAR 2003 OF THE

	<u>1</u>	<u>2</u>	<u>3</u>
15.01	Aggregate statement value of investments held in nonaffiliated, privately placed equities	\$ %
	Largest 3 investments held in nonaffiliated, privately placed equities:		
15.02	.....	\$ .....	..... %
15.03	.....	\$ .....	..... %
15.04	.....	\$ .....	..... %

16. State the amounts and percentages of the reporting entity's total admitted assets held in general partnership interests (included in other equity securities).

Assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 16. Yes [] No [X]

	<u>1</u>	<u>2</u>	<u>3</u>
16.01	Aggregate statement value of investments held in general partnership interests.	\$ %
	Largest 3 investments in general partnership interests:		
16.02	.....	\$ .....	..... %
16.03	.....	\$ .....	..... %
16.04	.....	\$ .....	..... %

17. With respect to mortgage loans reported in Schedule B, state the amounts and percentages of the reporting entity's total admitted assets held.

Mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatories 17 and 18. Yes [] No [X]

Each of the 10 largest aggregate mortgage interests. The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties:

	<u>1</u> Type (Residential, Commercial, Agricultural)	<u>2</u>	<u>3</u>
17.01	\$ %
17.02	\$ %
17.03	\$ %
17.04	\$ %
17.05	\$ %
17.06	\$ %
17.07	\$ %
17.08	\$ %
17.09	\$ %
17.10	\$ %

18.	Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:							
	<u>Loan-to-Value</u>		<u>Residential</u>		<u>Commercial</u>		<u>Agricultural</u>	
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
18.01	above 95%	\$ %	\$ %	\$ %	
18.02	91% to 95%	\$ %	\$ %	\$ %	
18.03	81% to 90%	\$ %	\$ %	\$ %	
18.04	71% to 80%	\$ %	\$ %	\$ %	
18.05	below 70%	\$ %	\$ %	\$ %	

		<u>Loans</u>	
		<u>1</u>	<u>2</u>
18.06	Construction loans	\$ %
18.07	Mortgage loans over 90 days past due	\$ %
18.08	Mortgage loans in the process of foreclosure	\$ %
18.09	Mortgage loans foreclosed	\$ %
18.10	Restructured mortgage loans	\$ %

19. State the amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A, excluding property occupied by the company.

Assets held in each of the five largest investment in one parcel or group of contiguous parcels of real estate reported in Schedule A less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 19. Yes [] No [X]

		<u>1</u>	<u>2</u>	<u>3</u>
19.01	\$ %
19.02	\$ %
19.03	\$ %
19.04	\$ %
19.05	\$ %

20. State the amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		<u>At Year-end</u>		<u>1st Qtr</u>	<u>At End of Each Quarter</u>	
		<u>1</u>	<u>2</u>	<u>3</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>
20.01	Securities lending (do not include assets held as collateral for such transactions)	\$ %	\$	\$	\$
20.02	Repurchase agreements	\$ %	\$	\$	\$
20.03	Reverse repurchase agreements	\$ %	\$	\$	\$
20.04	Dollar repurchase agreements	\$ %	\$	\$	\$
20.05	Dollar reverse repurchase agreements	\$ %	\$	\$	\$

21. State the amounts and percentages indicated below for warrants not attached to other financial instruments, options, caps, and floors:

		<u>Owned</u>		<u>Written</u>	
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
21.01	Hedging	\$ %	\$ %
21.02	Income generation	\$ %	\$ %
21.03	Other	\$ %	\$ %

22. State the amounts and percentages indicated below of potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for collars, swaps, and forwards:

		<u>At Year-end</u>		<u>1st Qtr</u>	<u>At End of Each Quarter</u>	
		<u>1</u>	<u>2</u>	<u>3</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>
22.01	Hedging	\$ %	\$	\$	\$
22.02	Income generation	\$ %	\$	\$	\$
22.03	Replications	\$ %	\$	\$	\$
22.04	Other	\$ %	\$	\$	\$

23. State the amounts and percentages indicated below of potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for futures contracts:

		At Year-end			At End of Each Quarter		
		<u>1</u>	<u>2</u>		<u>1st Qtr</u> <u>3</u>	<u>2nd Qtr</u> <u>4</u>	<u>3rd Qtr</u> <u>5</u>
23.01	Hedging	\$ .....	.....	%	\$ .....	\$ .....	\$ .....
23.02	Income generation	\$ .....	.....	%	\$ .....	\$ .....	\$ .....
23.03	Replications	\$ .....	.....	%	\$ .....	\$ .....	\$ .....
23.04	Other	\$ .....	.....	%	\$ .....	\$ .....	\$ .....

24. State the amounts and percentages of 10 largest investments included in the Write-ins for Invested Assets category included on the Summary Investment Schedule.

		<u>1</u>	<u>2</u>	<u>3</u>	
24.01		\$	%
24.02		\$	%
24.03		\$	%
24.04		\$	%
24.05		\$	%
24.06		\$	%
24.07		\$	%
24.08		\$	%
24.09		\$	%
24.10		\$	%



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SUPPLEMENTAL COMPENSATION EXHIBIT
(To be filed by March 1)

PART 1 - INTERROGATORIES

- 1. The reporting insurer is a member of a group of insurers or other holding company system: X yes no. If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group: Yes [X]; or 2) allocation to each insurer: Yes [].
- 2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes [] No [X]
- 3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes [] No [X]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1 Name and Principal Position	2 Year	Annual Compensation			
		3 Salary	4 Bonus	5 All Other Compensation	6 Totals
Osbie Howard President & Chief Executive Officer	2003	308,706			308,706
	2002	254,661			254,661
	2001	254,269			254,269
1. Lorenzo Harris Senior Vice President - Chief Financial Officer	2003	129,378			129,378
	2002	125,305			125,305
	2001	120,320			120,320
2. Edward W. Reed, M.D. Senior Vice President - Medical Director	2003	122,315			122,315
	2002	178,837			178,837
	2001	177,070			177,070
3. Stephanie Dowell Senior Vice President - Chief Operating Officer	2003	114,529			114,529
	2002	92,123			92,123
	2001	40,289			40,289
4. Stacey Hill Vice President, MIS	2003	83,385			83,385
	2002				
	2001				
5.	2003				
	2002				
	2001				
6.	2003				
	2002				
	2001				
7.	2003				
	2002				
	2001				
8.	2003				
	2002				
	2001				
9.	2003				
	2002				
	2001				
10.	2003				
	2002				
	2001				

PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation	2 Compensation Paid or Deferred for Services as Director	3 All Other Compensation Paid or Deferred	4 Totals
1. Alvin King - Board of Directors	9,500		9,500
2. Samuel King - Board of Directors	6,500		6,500
3. Charles Carpenter - Board of Directors	6,250		6,250
4. Julius Combs, MD - Board of Directors	4,750		4,750
5. Frank Banks - Board of Directors	7,000		7,000
6. Rebecca Clark - Board of Directors	8,500		8,500
7. Beverly Williams-Cleaves, MD - Board of Directors	2,500		2,500
8. T. J. Marzette - Board of Directors	7,500		7,500
9. William Brooks - Board of Directors			
10.			
11.			
12.			
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OmniCare Health Plan Inc

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Company Name

NAIC Code

SVO COMPLIANCE CERTIFICATION

"The undersigned is an officer of the insurer responsible for reporting investments to the SVO, and/or with making all filings with appropriate state regulatory officials and the NAIC and is therefore required to be familiar with the requirements of such filings. The undersigned officer certifies that, to the best of his or her knowledge, information, and belief, all prices or NAIC designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that, to the best of his or her knowledge, information, and belief, since the last filing of a quarterly or annual statement:

- 1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for provisionally exempt securities and new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
- 2. Any newly purchased securities now identified with a Z suffix will be submitted to the SVO within 120 days of purchase.
- 3. All necessary information on securities that have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
- 4. All material issuer events (as defined below) have been reported to the SVO."

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware that, by its nature would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the US Bankruptcy Code;
- b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment;
- c. Any change in the maturity of a security;
- d. Changes in the lender's collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise;
- e. Events of a like character or of a like effect, which would be considered material to an investment professional.
- f. Exceptions:

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Lorenzo Harris
Name of Investment Officer

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Signature of Investment Officer
Chief Financial Officer
Title of Signatory

02/27/2004
Date